

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 2574 - Revenue Department's Technical Corrections II (LSB 6925 HV.1)
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Fiscal Note Version – Amendment H-8466 to HF 2574

Description

Amendment H-8466 to HF 2574 provides a sales/use tax exemption for materials that become part of a low-income one or two family dwelling when the materials are purchased by qualified nonprofit organizations.

Assumptions

1. Qualified nonprofit organizations will construct or rehabilitate 45 one and two family homes in Iowa each year.
2. The average home will require \$60,000 in materials currently subject to sales/use tax.
3. The State sales/use tax rate is 5.0% and the average local option tax rate is 1.0%.

Fiscal Impact

The sales/use tax exemption for building materials will reduce General Fund receipts by \$135,000 per year starting FY 2005. The exemption will also reduce local option sales tax revenue by \$27,000 per year.

Source

Habitat for Humanity

Dennis C Prouty

April 13, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
